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DEPARTMENT OF COMMERCE
International Trade Administration
[C-570-017]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Initiation of Countervailing Duty New Shipper Review; 2014-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On February 25, 2016, the Department received a timely request for a new shipper review (NSR) from Shandong Xinghongyuan Tire Co., Ltd. (SXT), in accordance with section 751(a)(2)(B)(i) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.214(c). The Department of Commerce (the Department) has determined that the request for a NSR of the countervailing duty order on certain passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (PRC) meets the statutory and regulatory requirements for initiation. The period of review (POR) is December 1, 2014, through January 31, 2016.

EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Mark Hoadley, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3148.

SUPPLEMENTARY INFORMATION:

Background

The Department published the countervailing duty order on passenger tires from the PRC in the *Federal Register* on August 10, 2015.¹ On February 25, 2016, pursuant to section 751(a)(2)(B)(i) of the Tariff Act of 1930, as amended (the “Act”), and 19 CFR 351.214(b) and (c), the Department received a timely request for a NSR from SXT. Pursuant to section 751(a)(2)(B)(i)(I) of the Act and 19 CFR 351.214(b)(2)(i), SXT certified that it is the exporter and producer of the passenger tires for which the request for a NSR is based, and certified that it did not export passenger tires to the United States during the period of investigation (POI).² Moreover, pursuant to section 751(a)(2)(B)(i)(II) of the Act and 19 CFR 351.214(b)(2)(iii)(A), SXT certified that, since the investigation was initiated, it never has been affiliated with any exporter or producer who exported the subject merchandise to the United States during the POI, including those not individually examined during the investigation.³ Further, as required by 19 CFR 351.214(b)(2)(v), it certified that it informed the government of the PRC that the government will be required to provide a full response to the Department’s questionnaires.⁴

In addition to the certifications described above, pursuant to 19 CFR 351.214(b)(2)(iv), SXT submitted documentation establishing the following: (1) the date of its first sale to an

¹ See *Certain Passenger Vehicle and Light Truck Tires From the People’s Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015).

² See SXT’s request for a NSR dated February 25, 2016, at Exhibit 2.

³ *Id.*

⁴ *Id.*

unaffiliated customer in the United States; (2) the date on which the passenger tires were first entered for consumption; (3) the volume of that shipment.⁵

The Department queried the database of U.S. Customs and Border Protection (CBP) in an attempt to confirm that the shipment reported by SXT had entered the United States for consumption and that liquidation had been suspended as subject to the countervailing duty order. The information which the Department examined was consistent with that provided by SXT in its request.⁶ In particular, the CBP data confirmed the price and quantity reported by SXT for the sale that forms the basis for this NSR request.

Period of Review

Pursuant to 19 CFR 351.214(c), an exporter or producer may request a NSR within one year of the date on which its subject merchandise was first entered. Moreover, 19 CFR 351.214(d)(1) states that if the request for the review is made during the six-month period ending with the end of the semiannual anniversary month, the Department will initiate a NSR in the calendar month immediately following the semiannual anniversary month. Further, 19 CFR 351.214(g)(2) and 19 CFR 351.213(e)(2)(ii) state that the first review period after an order normally will cover entries or exports from the date of suspension of liquidation to the end of the most recently completed calendar year. However, since SXT's shipment entered the United States after the end of 2015, and because SXT has requested a concurrent NSR of the antidumping duty order covering the same shipment, we are expanding the POR by one month.⁷ Therefore, the POR is December 1, 2014, through January 31, 2016.⁸

⁵ *Id.* at Exhibit 1.

⁶ See Memorandum to the File from Spencer Toubia, "New Shipper Review of the Countervailing Duty Order on Passenger Vehicle and Light Truck Tires from the People's Republic of China: Customs Entries from January 1, 2013," dated March 31, 2016.

⁷ See *Raw Flexible Magnets From the People's Republic of China: Initiation of Countervailing Duty New Shipper Review*, 75 FR 22741 (April 30, 2010) (expanding the POR for a NSR of a CVD order); see also *Antidumping*

Initiation of New Shipper Review

Pursuant to section 751(a)(2)(B) of the Act and 19 CFR 351.214(b), and the information on the record, the Department finds that SXT's request meets the threshold requirements for initiation of a NSR and, therefore, is initiating a NSR of SXT. If the information supplied by STX is found to be incorrect or insufficient during the course of this proceeding, the Department may rescind the review for STX or apply facts available pursuant to section 776 of the Act, depending on the facts on the record. Absent a determination that the new shipper review is extraordinarily complicated, the Department intends to issue the preliminary results within 180 days after the date on which this review is initiated and the final results within 90 days after the date on which we issue the preliminary results.⁹

On February 24, 2016, the President signed into law the "Trade Facilitation and Trade Enforcement Act of 2015," H.R. 644, which made several amendments to section 751(a)(2)(B) of the Act. We will conduct this new shipper review in accordance with section 751(a)(2)(B) of the Act, as amended by the Trade Facilitation and Trade Enforcement Act of 2015.¹⁰

Interested parties requiring access to proprietary information in this proceeding should submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306.

Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27320 (May 19, 1997) (The Department's regulations "provide the Department with sufficient flexibility to resolve any problems that may arise {when the requestor's first shipment occurs after the calendar year in question} by modifying the standard review period.").

⁸ See 19 CFR 351.214(g)(1)(i)(B).

⁹ See section 751(a)(2)(B)(iv) of the Act and 19 CFR 351.214(i).

¹⁰ The Trade Facilitation and Trade Enforcement Act of 2015 removed from section 751(a)(2)(B) of the Act the provision directing the Department to instruct CBP to allow an importer the option of posting a bond or security in lieu of a cash deposit during the pendency of a new shipper review.

This initiation and notice are in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 351.221(c)(1)(i).

Dated: May 27, 2016

Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

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